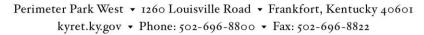


KENTUCKY RETIREMENT SYSTEMS

William A. Thielen, Executive Director





January 13, 2015

Mary C. Yaeger Office of Special Projects Legislative Research Commission Capitol Annex, Room 39 Frankfort, KY 40601

RE: SB 62 GA/BR 477 AA Statement 1 of 1

Dear Mary:

SB 62 amends KRS 61.637 to provide that elected officials who are reelected to a new term of office in the same position and who then retire following reelection, but prior to taking office for the new term, shall be deemed to have a prearranged agreement and will have his or her initial retirement voided.

Kentucky Retirement Systems' staff members have examined SB 62 and have determined that the bill will not increase or decrease benefits or the participation in benefits in any of the retirement plans administered by Kentucky Retirement Systems. SB 62 will change the actuarial accrued liability of the system in which the elected officials participates because the official will continue to accrue service credit; however, this addition to the actuarial accrued liability will be offset by the payment of the actuarially required contribution by the employer. Consequently, we have not requested any further actuarial analysis of SB 62 by the Kentucky Retirement Systems' independent actuary.

Please let me know if you have any questions regarding our analysis of SB 62.

Sincerely,

William A. Thielen Executive Director

Kentucky Retirement Systems

William a. Thelen